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Companies Announcements Office
Australian Securities Exchange



RMG'S SUBSIDIARY TERMINATES KAMARGA OPTION AGREEMENT

RMG Limited (ASX:RMG) ("RMG" or "the Company") wishes to advise that its wholly owned subsidiary, Sunlander Nominees Pty Ltd ("Sunlander"), has provided Notice to Teck Australia Pty Ltd ("Teck"), a wholly owned subsidiary of Teck Resources Limited, Canada's largest diversified resource company that it wishes to terminate the Kamarga Agreement ("the Agreement") under option from Teck.

Sunlander entered into the Agreement with Teck in March 2011 which gave Sunlander the exclusive right to acquire 100% ownership of EPM14309 (Kamarga) and of EPM25191 (Horse Creek). The Agreement was subsequently amended on April 29, 2014 and May 1, 2014.

The key terms of the Agreement between Sunlander and Teck were as follows:

1. Sunlander to expend a minimum of AUD\$0.61M within 2 years.
2. Sunlander to expend AUD\$1.5M within 4 years.
3. Sunlander, at its expense, was to drill two exploration targets nominated by Teck by 30 September 2016.
4. Once items 1 to 3 were completed, a 100% interest in the two Permits was to be transferred to Sunlander.
5. Further, until Sunlander expended AUD\$10M on exploration, Teck had a right to elect to earn back 51% of the Permits through sole funding exploration expenditure to the sum of twice Sunlander's expenditure with a second earn-back option whereby Teck could earn-back an 80% interest through expenditure of a further AUD\$15M

RMG will not retain any interest in EPM14309 (Kamarga) and EPM25191 (Horse Creek) following the termination of the Agreement.

The decision to terminate the Agreement was made following a strategic review performed by the Company and it was decided continued expenditure would not optimise value for shareholders. The decision to withdraw enables the company to focus completely on its operations in Chile.

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About RMG Limited

RMG is a gold, copper and base metals Exploration Company. RMG owns and has agreements to earn a 100% interest in over 180 sq. km in northern Chile and is continuing to expand the copper endowment of this area.

For more information please go to www.rmgltd.com.au